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12897 Colonial Dr • Mt Airy, Md 21771  
301-253-6040

20379  
RECORDATION NO \_\_\_\_\_ FILED 100  
NOV 25 1996 12:55 PM

November 25, 1996

Mr. Vernon Williams  
Secretary  
Surface Transportation Board  
12th & Constitution Avenue, N.W.  
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recording with the Surface Transportation Board is a Subordination of Security Interest dated 11/19/96 between the following parties:

Lender: Norwest Equipment Finance, Inc.  
Investors Building, #300  
733 Marquette Avenue  
Minneapolis, MN 55479

Debtor: NorRail, Inc.  
303 12th Avenue South  
Buffalo, MN 55313

Secured Party: Norwest Bank Minnesota, N.A.  
7900 Xerxes Avenue  
Bloomington, MN 55431

The equipment included in this agreement is listed on Exhibit A to the Subordination of Security Interest.

Please record this agreement as a primary document. The filing fee of \$22 is enclosed.

Thank you for your assistance.

Sincerely,

*Mary A Oster*

Mary Ann Oster  
Research Consultant

Enclosures

*Counterparts - Anna Kelly*

RECORDATION NO. 20379

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**SUBORDINATION OF SECURITY INTEREST**

THIS SUBORDINATION OF SECURITY INTEREST ("Subordination") is made as of November 19, 1996, by Norwest Bank Minnesota, N.A. (the "Secured Party"), for the benefit of NorRail, Inc., a Minnesota Corporation (the "Debtor"), to induce Norwest Equipment Finance, Inc., a Minnesota Corporation (the "Lender") to make a loan to Debtor

**1 Recitals**

- A. Secured Party and Debtor entered into a Security Agreement dated as of June 24, 1994 (the "Agreement") pursuant to which the Secured Party acquired a security interest in each and every railroad car of every type, kind, name or description then owned by Debtor or thereafter acquired. The Agreement is on file at the Surface Transportation Board, F/K/A Interstate Commerce Commission under Recordation No. 18976 filed on September 8, 1994 at 3:45PM.
- B. Debtor has requested and Lender has agreed to extend credit to Debtor provided Lender has a first priority security interest in the railroad cars more specifically described on Exhibit A attached hereto (the "Units").
- C. To induce Lender to extend credit to Debtor, Secured Party has agreed to subordinate its security interest in the Units to the security interest of the Lender

**2 Subordination**

The Secured Party's security interest in the Units shall be and is hereby subordinate, inferior and subject to any security interest in the Units that Lender, its successors or assigns may now have or hereafter acquire.

IN WITNESS THEREOF, the Secured Party, pursuant to due authority, has executed this Subordination on the date indicated below its signature.

NORWEST BANK MINNESOTA, N.A.

By X 

Its X VP

Date X 11-19-96

EXHIBIT "A"  
to Security Agreement dated November 18, 1996  
(Loan No. 23167-702)

74 Rail Cars Described as Follows:  
4750 Cu. Ft. Covered Hoppers

ORIG CAR #	NEW CAR #
FPFX008001	NRLX047500
FPFX008002	NRLX047501
FPFX008003	NRLX047502
FPFX008004	NRLX047503
FPFX008005	NRLX047504
FPFX008006	NRLX047505
FPFX008007	NRLX047506
FPFX008008	NRLX047507
FPFX008009	NRLX047508
FPFX008010	NRLX047509
FPFX008011	NRLX047510
FPFX008012	NRLX047511
FPFX008013	NRLX047512
FPFX008014	NRLX047513
FPFX008015	NRLX047514
FPFX008016	NRLX047515
FPFX008017	NRLX047516
FPFX008018	NRLX047517
FPFX008019	NRLX047518
FPFX008020	NRLX047519
FPFX008021	NRLX047520
FPFX008022	NRLX047521
FPFX008023	NRLX047522
FPFX008024	NRLX047523
FPFX008025	NRLX047524
FPFX008026	NRLX047525
FPFX008027	NRLX047526
FPFX008028	NRLX047527
FPFX008029	NRLX047528
FPFX008030	NRLX047529
FPFX008032	NRLX047530
FPFX008033	NRLX047531
FPFX008034	NRLX047532
FPFX008035	NRLX047533
FPFX008036	NRLX047534
FPFX008037	NRLX047535
FPFX008038	NRLX047536
FPFX008039	NRLX047537
FPFX008040	NRLX047538
FPFX008041	NRLX047539
FPFX008042	NRLX047540
FPFX008043	NRLX047541
FPFX008044	NRLX047542
FPFX008045	NRLX047543
FPFX008046	NRLX047544
FPFX008047	NRLX047545
FPFX008048	NRLX047546
FPFX008049	NRLX047547
FPFX008050	NRLX047548
FPFX008051	NRLX047549
FPFX008052	NRLX047550
FPFX008053	NRLX047551
FPFX008054	NRLX047552
FPFX008055	NRLX047553
FPFX008056	NRLX047554
FPFX008057	NRLX047555
FPFX008058	NRLX047556
FPFX008059	NRLX047557

ORIG CAR #	NEW CAR #
FPFX008060	NRLX047558
FPFX008061	NRLX047559
FPFX008062	NRLX047560
FPFX008063	NRLX047561
FPFX008064	NRLX047562
FPFX008065	NRLX047563
FPFX008066	NRLX047564
FPFX008067	NRLX047565
FPFX008068	NRLX047566
FPFX008069	NRLX047567
FPFX008070	NRLX047568
FPFX008071	NRLX047569
FPFX008072	NRLX047570
FPFX008073	NRLX047571
FPFX008074	NRLX047572
FPFX008075	NRLX047573

Dated: November 18, 1996

Debtor: NorRail, Inc.

By: 

Its: 

**Corporate Form of Acknowledgment**

State of Minnesota  
County of Hennepin ss.

On this 19 day of November, 1996 before me personally appeared Andrew A. Christensen to me personally known, who being by me duly sworn, says that he is the Vice President of Norwest Bank Minnesota, NA that the foregoing Instrument was signed by him on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing Instrument was the free act and deed of said corporation

Richard J. Hanna  
Signature of notary public

My commission expires Jan 31, 2000

[Notarial Seal]

